

**Iowa Telecommunications & Technology Commission  
Grimes State Office Building, 1st Floor  
400 E. 14th Street, Des Moines, IA 50319**

**FINAL**

**March 26, 2009**

*To ensure the most efficient use of State resources, the March 26, 2009, ITTC meeting was held via a video conference pursuant to Iowa Code section 21.8. A video conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.*

**Commissioners Present**

Betsy Brandsgard, Chairperson (via-video)  
Robert R. Hardman, Member (via-video)  
Timothy L. Lapointe, Member (via-video)  
David A. Vaudt, Ex-Officio Member  
Pamela A. Duffy, Member (Arrived at the ICN Conference Room at 10:17 AM)  
Michael W. Mahaffey, Member (via-video)

**Commissioners Absent**

None

**Iowa Communications Network Staff Present**

John Gillispie, Executive Director  
Joseph Cassis, Deputy Director  
Dave Lingren, Service Delivery Administrator  
David Marley, Operations Administrator  
Kevin Heinzeroth, Finance Director  
Vicki Wallis, Engineering Administrator  
Gail McMahon, Public Relations Manager  
Lori Larsen, Administrative Assistant (Recorder)

**Guests**

Adam Humes – Attorney General's Office  
Kyle Holmgren – Qwest  
Mark Johnson – ICN's Legislative Liaison  
Mary Wegner – State Librarian of Iowa  
Terry Rinehart – Iowa Public Television  
Joe Coon – Mississippi Bend AEA 9 (via remote ICN site – Bettendorf, IA)  
Joseph Dworak – Drake University  
Sheila Navis – RIITA

**Call to Order**

Commissioner Brandsgard called the meeting to order at 9:06 A.M. It was noted that a quorum of members were present for the meeting.

**Approval of 1/15/09 and 2/18/09 Meeting Minutes**

Commissioner Hardman moved for approval of the January 15, 2009, and February 18, 2009, meeting minutes; Commissioner Lapointe seconded the motion. A roll call vote was taken, unanimously approving the minutes as written.

Commissioner Hardman – yes

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*Minutes as Approved at the May 21, 2009 ITTC Meeting*

Commissioner Lapointe – yes  
Commissioner Mahaffey – yes  
Commissioner Brandsgard – yes

### **Old Business**

#### **ETC/EOA Update – Joseph Cassis**

The ETC/EOA met on March 10, 2009. Lynee Casper represented AEA 11, Pam Jenkins represented the Department of Education, Greg Davis, chair of the committee, and several committee members were present along with a number of the ICN staff. The focus was first on the complexities on the USAC funding, and what it means to the educational institutions. Pam Jenkins detailed some of the historical situations that have occurred over the years and what it means for the future. The other challenge was the calibration capabilities, especially considering the number of individuals that need to be involved in the discussions. ETC/EOA focused on technology utilizing a Wiki. Casper demonstrated to everyone AEA 11's wiki and blog. It was decided by the committee to pursue establishing a wiki as the information exchange. Davis and Casper will create the Wiki, along with technical staff, for future exchange of information. There were no policies or recommendations that were pursued, due to no prior exchange of information.

### **New Business**

#### **Report from State Library – Mary Wegner, State Librarian of Iowa**

In fiscal year 2009 the State Library continues to make use of ICN's teleconferencing capabilities. The State Library has at least 51 sessions, involving over 870 sites, and with more than 1400 participants. The state library uses their ICN rooms and the rooms in 40+ public libraries for training and planning sessions.

The State Library has an ongoing training session for the directors of our smaller public libraries. The State Library works with 543 public libraries in Iowa. The State Library conducts a two part series of courses for new directors: Public Library Management 1 and 2. Those two courses are required for public library directors to be certified. The majority of the courses' sessions are completed throughout the year using the ICN.

The State Library also used the ICN to engage in a strategic planning process and also an information gathering session.

One of the statewide programs the State Library manages is called "All Iowa Reads". As part of the process, every year the state library has a session primarily for the librarians to discuss the book that is selected. The State Library usually has more than 100 librarians that attend in January.

Another ICN unitization is for the 543 public libraries' trustee meetings, which consists of ongoing training of 80-100 attendees. Using the ICN is one of the few ways the libraries can reach many trustees at one time.

A final example provided by Ms. Wegner was the state library's training needs on both ends of the professional spectrum for librarians. Attendees from smaller libraries have had little exposure of the ICN and those from larger libraries use the ICN for continuing education programs.

The State Library is able to work with the ICN to complete a “downlink” with an Illinois group for teleconferences for librarians. The state library has four to five sessions with 281 participants.

The State Library has continuing needs and Iowans are using the libraries. The State Library’s role is to help Iowa libraries be the best that they can be, and much of that is completed through continuing education. The ICN is a primary tool that we use.

Commissioner Brandsgard offered thanks to the State Library for their leadership in promoting the use of the ICN. The libraries have been an important partner with the ICN, and are good examples of the innovation that could be applied in many different fields.

Commissioner Hardman asked if communities around the state are using the public libraries for training and professional development.

Mary Wegner said that the librarians tell her that use is made for training and professional development. The library is open in the evening which makes it an attractive spot.

#### **Review FY 09 ICN Budget to Actual Financials - Kevin Heinzeroth**

During February, the ICN made some corrective reclassifications that caused some of our areas to show negative balances for the month of February, as well as some increases in expenses. Disaster related expenses were removed from installs to outside plant, decreasing the install expense and increasing the outside plant expense. Accrued reimbursement was moved from the income statement to the balance sheet, due to uncertainty of collections from FEMA. In addition, the ICN had a maintenance contract with BLACKBOX, which was retroactive back to July 1, 2008. The contract was not negotiated and finally signed in February 2009, and therefore the ICN had seven months of prior expenses that were added to the books in February. The ICN has initiated steps to avoid this in the future when a large maintenance contract is still being negotiated to ensure that the expense is accrued.

The month of February still had positive cash from operations of around \$200,000. The ICN spent about \$60,000 on equipment from operations’ cash, and the remainder of the equipment expenditures was from appropriations of \$460,000. For the fiscal year, cash from operations and equipment expenditures from operations had cash generated of \$999,855 dollars. Customers are starting to idle phones and the ICN has had an increase in service requests. Customers are reviewing their bills and they are looking at areas that they can cut expenses.

**VIDEO SERVICES** Billings for video services for February 2009 are below billings for February 2008 by \$192,867 and are 12.24% below the February budgeted amount. The ICN has produced 144,720 hours through February 2009, up from the 143,337 hours produced through February 2008. Higher education and K-12 comprised the majority of the usage.

This report includes video production charts for gross video hour production and an analysis of average video rate per hour per site.

**VOICE SERVICES** FY 2009 year-to-date Voice Service revenues for February 2009 are below February 2008 revenues by \$245,800 and are 5.56% ahead of 2009 budget figures. Largest sources of revenue continue to be toll free usage, local access, and inmate calling.

This report includes several voice production charts to monitor minute production for the last three fiscal

years for: 1) Total toll minutes, 2) Regent minute production, 3) Other PBX toll minute production, 4) Feature Group B/D toll minute production and 5) Toll-Free minute production.

**DATA SERVICES** Gross revenues from data services for February 2009 are ahead of February 2008 year-to-date revenues by \$665,170 and are ahead of the current fiscal year budgeted figures by 0.74%. In line of what we budgeted.

**INSTALLATION REVENUES** Installation revenues for February 2009 are ahead of February 2008 by \$162,634 and are below the February budget by 17.94%. Installation revenues fluctuate greatly depending upon current spending abilities of our customers. Budgeting is based upon prior year activity and can vary widely from actual. Current month balances are due to re-class of revenues for expected but not definite reimbursement of disaster related expenditures to deferred revenue as well as the related expense being reclassified from install to a classification of Outside Plant repairs.

**INDIRECT and G & A EXPENSES** Indirect expenses for February 2009 are below budget projections for February 2009 4.42% and are \$1,254 below February 2008 expenditures. Increased indirect expenses are due to re-classed install expense and the recording of additional maintenance expense for telephone switches retroactive back to the first of the fiscal year. General and Administrative expenses for February 2009 are above February 2008 by \$94,304 and 13.91% below February budget projections.

**EQUIPMENT and EQUIPMENT APPROPRIATION** For February the ICN paid \$485,661 for equipment on approved appropriation project expenditures. All of the approved project expenditures were to BLACKBOX. In addition \$12,105 was paid to various vendors for approved minor equipment purchases.

#### **Legislative Update – Mark Johnson/Director Gillispie**

The legislature is attempting to enforce an informal committee funnel. They are trying to get bills out of committees in the opposite chambers which is the last committee funnel by tomorrow. The legislature may allow some exceptions through next week. The actual funnel date is about one to two weeks away, so the legislature is trying to wrap up the session and get to the budget.

The ICN's legislative package is languishing at this point; it does not appear to be one of the Legislatures priorities. The Legislature was not willing to move forward with the language that would allow the Commission to make business decisions with respect to Part III connections, which is code that still meets stiff opposition from the telecommunications industry. The parts of the bill that the ICN is left with were primary clean up. Mark Johnson has talked with the subcommittee chairperson, and is not getting a strong feeling that the bill will move forward.

There is a county bill that did come out of the state government committee and that is on the calendar in the House. Mark Johnson was told that that bill will not move forward in the House. There was a meeting last week between the county individuals and the telecommunication industry. The telecommunication industry did agree to work on broadband mapping, and come back next year with additional comments and processes. If you look at the federal law, the broadband mapping will occur at some point and maybe this will help expedite that process.

The budget process is in flux right now. The Revenue Estimating Committee's numbers came out last week. Agencies are seeing cuts from 8 percent to as high as 28 percent. That is a steep cut, and everyone

will see some real impact when agencies start to implement that. The Governor has two weeks to respond to the estimate.

With the infrastructure budget, currently there is no bill. You may recall last year, the bill was put together, distributed, and finalized within the last two days of the 2008 session. The legislature may be on that kind of pace again. A large part of that legislation will depend on what decision is made with respect to bonding. There seems to be a general agreement that some sort of bonding will occur, it is a matter of how much the Legislature will bond for, anywhere from \$175 million, to fill some of the FY 09 infrastructure requests that were funded last year, up to the governor's proposal of \$750 million. Mark Johnson does not think that there is agreement in the Legislature to go to \$750 million, but there may be some agreement to go above the \$175 million, there will be some negotiation, and the legislature will be looking at how they will spend the proceeds. The Legislature also has to include any potential impact of any federal stimulus money. There is a portion of the stimulus money the Legislature believes that is encouraged to be used for general operations. That may help save some of the impact of decrease in revenue for FY09.

Director Gillispie added that the informal funnel dates relative to the ICN bills have all died. The ICN had a "sale lease back" bill that is from four years ago has come and went. The leasing bill has died in committee. There doesn't seem to be any general agreement on what the ICN should or should not be at this point. Director Gillispie is concerned about the infrastructure bill since that does have direct impact of the network, we will monitor that closely.

Commissioner Mahaffey asked, as the bill to sell the ICN made the rounds, was there beginning discussions as to what the legislature wants to do with the ICN?

Director Gillispie said there is a continuum of options, which is why the Legislature struggled to get an agreement on the ICN. There is going to be some sort of work done by the Legislature, during the interim, looking at telecommunication in Iowa, specifically in broadband. Some of that information is being driven by the stimulus act, but people are beginning to understand how important broadband is to education and economic development. The Legislature has continued to change and understands the importance for Iowa.

Commissioner Lapointe asked how does the language which would allow the Commission to make business decisions affect/change the current law. The Commission would always have the authority to review contracts concerning Part III.

Director Gillispie said what the ICN was trying to do with the Part III language was to give the Commission the ability to make business decisions on how to provide Part III. Right now the only choice the Commission has is to lease, due to the law. The ICN wanted to explore various options which could include buying dark fiber or leasing. This would make sure the best financial decision is made. That was resisted by existing carriers. The bill that came out after discussion would have cleaned up some of the language. Right now the Commission is only allowed to provide a DS3 worth capacity, which is becoming more restrictive. The ICN suggested in the conversation that the ICN should be allowed to purchase service other than DS3. DS3 is beginning to be obsolete as people are moving towards Ethernet services (buying by the megabit). Right now the ICN can't purchase megabit services to replace the Part III. The clean-up language would have allowed the ICN to purchase services in line with today's technology.

Commissioner Mahaffey asked, are there ways that the ICN can approach those who oppose some of the changes that the ICN wants to do, to try to make this situation a win-win for everyone. There are so many possibilities that need to be done with Iowa (i.e. broadband). Is there something else that we need to be doing?

Director Gillispie said the opposition comes from not what the ICN is trying to do, but the agreements that were done 15 years ago. There is a long memory, and the opposition says the agreements were promised to them as long as the ICN existed. Director Gillispie thinks about it from a historical perspective, clearly the system was based on give-and-take. Director Gillispie would be happy to entertain any ideas to create a win-win situation. Mark Johnson can also tell you that any issue that comes up is always questioned if it is in line with the initial agreements. That is part of the challenge, when the ICN was created there was a series of deals made, and the telephone companies want to hold those deals.

Mark Johnson added Director Gillispie is correct. There is a long standing opposition, especially in today's economic environment. There is always pressure that the Iowa telephone companies are looking at the ICN as a competitor.

### **Federal Economic Stimulus Bill Update – Director Gillispie**

The NTIA (National Telecommunication Information Agency) and the RUS (Rural Utilities Services, Department of Agriculture) have been holding a series of hearings over the last two weeks on how they should implement what the law says. There are specific topics in each hearing, and the amount of interest in the programs is huge, and it is expected that the grants in the system to be very competitive. One of the interesting sessions was on the role of the states. There was clearly a broad range of opinions relative to how the states should be engaged. The law says that the NTIA may consult the state on the projects that are submitted. The NTIA said, we are an organization of 90 people and we are expecting thousands of applications, and there is no way that we will be able to review them all in any timely manner. The NTIA is thinking of a variety of ways to get the applications processed. The NTIA hopes to send the money out in three rounds, sometime between April – July 2009, November 2009 – January 2010, and April – July 2010, prior to September 30, 2010, which is the deadline to have all the money committed.

One of the comments made was concerning only states with a broadband plan would be allowed to apply in the first round. States that do not have a broadband plan did not like that option. The NTIA have asked for comments from all interested parties by April 13, 2009, and at that time, the NTIA may propose a set of rules. Director Gillispie is working closely with the Iowa Utilities Board (IUB) to submit comments from the State of Iowa. There is some discussion on who will be responsible for carrying forward the broadband mapping project. At the ICN we are working on briefing papers that will be sent to parties relating to topics that they may be interested in pursuing concerning the federal bill. We believe libraries will have some interest, AEAs, computer centers, etc, that are part of stimulating the demand for broadband, especially in rural areas.

Commissioner Brandsgard asked if Iowa is categorized in having a broadband plan.

Director Gillispie said Iowa would be categorized as not having a broadband plan at this time. There is a bill currently moving through the Iowa House that has been passed by the Iowa Senate, which would have an interim committee in the legislature working on a plan.

Deputy Director Cassis said there is a discussion with the \$7.2 billion on an emphasis of public/private partnerships. That will stir interest to start planning and having a thorough understanding on what could be achieved. This has been emphasized in all four sessions. The mapping would be one step in order for a number of these programs to be effective, the public/private partnerships need to be emphasized in the discussions.



Commissioner Lapointe asked would it be beneficial to copy our Senators and Congressmen on the briefing papers that are being prepared. This would ensure that they are ready to talk about technology when the issue on how to decide the stimulus money comes to the floor.

Director Gillispie said we will make sure that our congressional group is copied on any submissions out of the state or contacted by Jon Murphy, who is currently our federal-state relations individual in Washington. Since Congress passed the bill, they have turned over the authority for the process and the distribution of money to the executive branch. The interesting aspect of broadband is that Congress knew when they were debating the amount of broadband stimulus, that this would be a down payment on what was needed at a much broader perspective across the nation.

Commissioner Hardman asked could you clarify the concept of broadband mapping and how that might be done.

Director Gillispie said the IUB has done a mapping for Iowa according to the FCC rules. The FCC rules call for a zip code mapping, if one person in that zip code could receive broadband; it was assumed by the FCC, that everyone could receive broadband. That is not the case. The new bill requires mapping by street, almost down to address. The primary purpose is twofold: 1) to find out if broadband is available, and 2) at what speed and are there multiple providers. The new mapping would be much more detailed. There are a few states that have completed such maps: Kentucky, California, and Virginia. The maps help legislators from a policy perspective and understand what opportunities are out there to stimulate private sectors' participation on the broadband marketplace. Interesting about telecommunications in this country, is that the decision was made long ago to have the public sector deliver it [telecommunications], and the public sector has always made the private sector behave in certain ways through incentive programs.

During the presidential campaign, the Obama campaign stated that they wanted to look at USF (Universal Service Fund), and determine whether or not it's sending the behavior that they wanted.

#### **Maintenance RFP Update - Director Gillispie**

The Network currently has a contract that has been longstanding with McLeod/PAETEC for providing operational types of services on the field and at JFHQ (Joint Forces Headquarters). The current extension of this contract expires on December 31, 2009. The ICN is currently evaluating if an RFP should be issued, and actively working with PAETEC. The ICN has to notify PAETEC by June 30, 2009 on whether or not the ICN wishes to extend the contract. This is the Commission's largest contract. Six million dollars a year flows through PAETEC, representing about a 6<sup>th</sup> of the total expenditures of the network. PAETEC has been a good partner for many years. The ICN is in the process of evaluating what the next steps will be. Director Gillispie will keep the Commission up-to-date as decisions are made.

#### **ICN Training Programs – Joseph Cassis**

As part of the ICN's strategic planning, both external and internal training have been a cornerstones of the efforts identified several months ago.

External:

The ICN has been working with AEA 10, preparing a pilot program that will begin the end of April 2009. This program will look at local site contacts and identify/exchange ideas relating to rules, regulations, policy, and procedures in promoting usage of the ICN through the video classrooms. This will lead into identifying tracks that the ICN can incorporate in the concept of WICN or the ability to have a live session.

Internal:

The ICN had the first formal training on customer relations. That pilot went very well. Six sessions have been established to begin in April 2009. This is considered a mandatory training for the ICN staff. The training is to emphasize various situations that an employee may encounter with a customer. ICN is also extending the training to 25-30 PAETEC staff; they are the front lines at the NOC (Network Operations Center). The ICN management thought it would be imperative for the PAETEC staff to be involved in the training and gain their insights on what kinds of situations that may be occurring, and to address those situations in a formalized way.

**OSS Update – Vicki Wallis**

The Operations Support System (OSS) team is excited to be on the verge of the next phase of the project.

The outside review and the legal review of the OSS project are completed. The final internal reviews addressing comments are now ongoing. There are only a handful of comments, and the largest discussion point will be what to include in the RFP regarding the demonstration. A meeting is scheduled for Tuesday, March 31, 2009, to receive final sign-off from all internal members and mark the RFP as complete.

The ICN has many people working on scoring as well as on the RFP. Due to the focus on releasing the RFP, the scoring remains over 90% complete. Once the RFP is released, the staff can wrap up the scoring quickly.

**K-12 Connections Update – Terry Rinehart, Iowa Public Television**

The K-12 Connections is a collaborative project between Iowa Public Television (IPTV) and Iowa Communications Network (ICN). K-12 Connections develops content for educations, staff, and individuals in the K-12 school districts. Last year was a record year for the number of ICN hours that K-12 Connections generated, slightly over 8,000 hours.

K-12 Connections continues to grow in popularity this school year. A total of 4,981 ICN hours was generated as of the end of February. This is 440.02 hours ahead of the same point as last year (4,540.98 hours). For comparison, in 2007, K-12 Connections generated 3,010 hours.

There are several contributions for the increase of hours:

- Continued interest in providing professional development/training opportunities for teachers and other school staff members (i.e. food service, nutrition service, nursing, librarians).
- Due to the economy, the content delivered through K-12 Connections is a good alternative for students versus field trips.
- When looking at the Iowa Core Curriculum, the activities provided through K-12 Connections, meets the Iowa Department of Education's requirements: effective instructions, provides learning experiences where essential collaboration is required, supplies real world authentic situations, and promotes inquiry learning.

The last time Mr. Rinehart met with the Commission, one of the Commissioners had a question about the percentage of hours that were focused on K-12 classroom activities as compared to the percentage of hours generated for professional staff development opportunities. About 75percent of the hours are focused on



students in the classroom, and about 25percent are for professional development for educators and other school staff members.

IPTV has acquired grant funding in support of the K-12 Connections/ICN activities. Estimated totals (\$30,000) for the year include: The Environmental Protection Agency (\$20,000); STEM Community Engagement Grant (\$2,500); Biz Kid\$ Outreach Grant (\$7,500).

Mr. Rinehart highlighted some of the ICN sessions that are coming up that illustrates how K-12 Connections fits with the Iowa Core Curriculum:

- 1) Business Horizons – students learn valuable financial lessons
- 2) IT adventures – to expose students/teachers to IT Adventures and IT Olympics
- 3) Wind Energy II – students share experiences building model wind turbines
- 4) Introduction to Model Solar Cars – students learn how to produce a solar car
- 5) Great Environmental Books – teachers learn how to include environmental issues in course work

K-12 Connections has been working with schools across the state to implement a health activity called “Healthy Hikes”. This will generate over 800 ICN hours.

Deputy Director Cassis said this is an excellent example of partnership. IPTV and ICN benefit and most importantly students and educators benefit from opportunities that they would most likely not be able to receive. The ICN is working with Mr. Rinehart to carry on this program into 2010; we want to continue the momentum and continue to build upon the success stories.

Commissioner Brandsgard thanked Mr. Rinehart for the good report. It is exciting to see the growth in this service area, and it is interesting to see the range of content.

Commissioner Hardman congratulates Mr. Rinehart about the excellent work.

#### **Rural Health Initiative Update – Dave Lingren**

The ICN has 85 hospitals/authorized healthcare providers that have signed the final agreement of participation during the first year of the project (year ends June 30, 2009). The ICN anticipates that before this calendar year is over that close to 90 healthcare providers will have signed-up to participate in the healthcare initiative. The status of some of the ICN’s Federal Communication Commissions’ (FCC) documents are: 1) Sustainability Plan – all grant recipients must provide. This plan shows that the money invested in this network will not be a one-time investment. The ICN has submitted and received verbal approval. The ICN won’t receive written approval until the overall final plan is in-place (vendors providing fiber connectivity). 2) The ICN also has positive preliminary indication from the FCC on the Fair Share Plan. As the fiber vendors build the project out, if the vendors decide to build extra capacity, the FCC wants to be sure that the healthcare providers are not paying an unfair amount for the spare capacity. The ICN has submitted that plan and there have been positive reports. This program also requires an urban to rural various. The ICN has submitted a plan that is mile sensitive, the reimbursement from USAC makes that a level cost and meets the ICN requirements. The ICN has submitted that report and has received verbal approval.

The Iowa Hospital Association is working to finalize contract approval with fiber vendors, and have a target date of April 6, 2009 to have all contracts completed. Once submitted and approved by the FCC, vendors will begin laying fiber. The ICN is looking for about 20 hospitals to be connected by the end of

the 2009 calendar year. The ICN believes about a total of 60 hospitals to be connected by June 30, 2010. The remainder of the hospitals, 5-10, should be connected in fiscal year 2011.

#### **Action on certified User Waiver Requests – Dave Lingren**

The Waivers were presented in a summary report.

##### Long Distance Summary:

The ICN had a total of 14 waivers for long distance services. March is always a peak time that waiver requests are submitted to the ICN. One waiver was submitted for six (6) customers by an association. Seven of the 14 waivers were for long-distance services. Two waivers included seven customers. Customers indicated the primary reason for the two waivers was the ICN's lack of caller-id made the services unusable. The customers needed the caller-id for their alumni association's administrative purposes. The remaining five waivers for long distance was based upon the ICN's per minute rate being higher than rates from private telecommunications providers, however with the ICN's recently lowered rates that difference is becoming small.

##### Data Services Summary:

The ICN had a total of seven waivers for data services. Three of the waivers were submitted for redundant internet activity. Four of the waivers were submitted for claims of lower rates. Some involved our customers signing multi-year contracts with vendors to receive a lower rate. This is a marginal difference now; ICN's rates are very competitive in that area. One customer, Briar Cliff University, has asked for a two-year waiver on the data services.

As a summary, the ICN staff has reviewed all 14 waiver requests and recommends Commission's approval of a one-year waiver.

Commissioner Lapointe said in the past the Commission was resistant to an association providing waiver requests for multiple colleges. The issue in the past was lack of information with the waiver request. Do you and the staff feel the submission by Gary Steinke on behalf of the association is accurate and specific enough to meet the requirements of the waiver?

Dave Lingren said yes, the association representing those six private colleges was filled based upon the fact that the alumni association's administrative group required caller-id to complete their telecommunication functionality. The ICN's switch is capable to provide caller-id; however the ICN does not have the necessary cards or lines. The costs associated to the ICN, the lost revenue, and these waivers don't justify the expense to the ICN's switch. It is specific enough and seems to be a legitimate business reason that the ICN can't meet their service requirement.

Commissioner Lapointe said, so you are saying that it would not serve any useful purpose to hear from each of those universities and colleges individually.

Dave Lingren said we did make contact with each of the six universities and private colleges, and the ICN did listen to the concerns and their aids for the service requirements, and we found it to be valid.

Commissioner Hardman said, it was very interesting to read the letter from Drake University, "Qwest is a Tier 1 Internet service provider, it provides a superior service availability for Drake University...Qwest is willing to provide monetary compensation to Drake if outages occur." Both of these statements are interesting. What tier is the ICN?

Dave Lingren said Tier 1 in the Internet world is non-relevant. The ICN is a Tier 1 provider; there is no superiority in the way Qwest provides their Internet service. The selling point that the ICN has made is that our Internet has a 99.99% uptime, and if a customer is paying thousands of dollars a month for Internet service, the ICN believes the customer should have consistent uptime instead of financial re-numeration for downtime.

Commissioner Mahaffey moved approval of all waiver requests for one year; Commissioner Duffy seconded the motion. A roll call vote was taken.

Commissioner Duffy – yes  
Commissioner Hardman – yes  
Commissioner Lapointe – yes  
Commissioner Mahaffey – yes  
Commissioner Brandsgard – yes

### **Other Business**

Director Gillispie reminded that on May 21 the ICN would like to invite the Commission to Des Moines to hold the ITTC meeting and join the ERC (Employee Recognition Committee) for their lunch event. Director Gillispie will be out of the country that day.

Commissioner Lapointe said as we talk about the Part III issues, it would be helpful if the Commission could receive a memo concerning more of the specifics of the Part III issues that are facing the network today and a historical perception of that. Once received then the Commission could brainstorm and come up with some other ideas.

Commissioner Brandsgard asked if the staff could prepare a white paper, a short tutorial on the Part III, we could possibly place that on the agenda for our next telephonic meeting next month.

Deputy Director Cassis said he would send the ICN's FAQs and a glossary of the various terminology used.

Commissioner Hardman asked two questions: 1) for Dave Lingren: we gave the ICN an opportunity to modify rates, has the ICN made any modifications to rates discussed in the past; 2) for Kevin Heinzeroth: has the ICN made any modification to the 2010 budget?

Dave Lingren said the ICN made adjustments to rates, but those adjustments have been completed within the confines of the Commission meetings. For example, the ICN did lower the long distance rates. The ICN is looking at some of our line side services and considering different opportunities.

Kevin Heinzeroth said the ICN has recently started the reforecast for the coming fiscal year. The ICN needs to have that completed and in the state system around June 12, 2009. Hopefully by the end of April or beginning of May the ICN should have a new reforecasted 2010 budget.

Commissioner Mahaffey asked a question concerning the bi-weekly managers' report. Please explain the Pocahontas Community School District and their indication that they do not wish to have an ICN classroom.

[NOTE: Dave Lingren's response is concerning the Montezuma issue not Pocahontas.]

Dave Lingren said it was Kirkwood Community College that was building a new building. The architect had a different concept on the size of the room, and after the building was complete there was not space in the building for a Part II site. What had to be done was either: the ICN needed to place a remote building outside of Kirkwood Community College or look at Pocahontas High School as an alternate for the Part II site.

### **Adjournment**

Commissioners Duffy and Mahaffey made a motion to adjourn the meeting. There being no further business, the meeting adjourned at 10:32 AM.

ATTESTED TO:



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Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission